Stamp On Social Adjustment

Changing Men's Wills to Fit Financier's Plans

This Cow Should be Shot!!! Milk Board Problem: Beggarmaid, a cow owned by a Wiltshire farmer has just completed a milk yield which constitutes a world’s record for a Shorthorn. In the final twenty-four hours she gave 72lb. of milk, which brought her yield to 32,715 lb. in 357 days. Farmers are fined for selling milk without a licence or at too cheap a price. This cow should be shot!

- - Snippet from The Social Crediter, Vol.6 No. 37, 21 May, 1937

Whist reading early Social Credit material one is impressed by men such as C. H. Douglas and those gathered around him who could foresee the long-term ‘fruits’ of the policies pursued by a group of men in high places. Geoffrey Dobbs’ Social Crediter review of Sir Josiah Stamp’s book “The Science of Social Adjustment” published in 1937 by MacMillan is a case in point. The ‘blurb’ to the book reads: “Three addresses to distinguished bodies of scientists are reprinted in this book, together with a fourth chapter on “Some Projects of Research”.

Geoffrey Dobbs notes the ‘double-speak’:

“The first chapter, “The Impact of Science upon Society,” will be fresh upon the minds of many readers. Put as briefly as possible, the gist of these 70 pages of impressive “polysyllability” is that scientific innovation creates a disturbance which is often “a high price to pay for progress.”

“The injuries to labour . . . are regarded as equitably a charge to be borne by society in general through taxation,” i.e., every increase in leisure is to be debited instead of credited to society. It follows that, to comply with this ridiculous concept of the economists, both science and man must be regulated so as to reduce the effect of innovation to a minimum.

“About one-third of the way through the book we find the following sentence, which sums up its contents admirably: “I have so far discussed modification of impact to meet the nature of man. (!) Now we must consider modifying the nature of man to meet impact.”

Apparently this second task is not so easy, "for human wills in the aggregate are behind distribution and consumption and they can never be regulated which are so potent in mathematics, chemistry", etc. Our scientists “have to learn to do with wills,” and other human characteristics, with a view to their regulation.

"A great draft on the highest mental ability for such social studies is essential." Hence, one presumes, the tireless activity of this Director of our Central Bank in addressing scientists.

Chapter II –Eugenic Influences in Economics

Delivered to the Eugenics Society in 1934 is well summarised by its sub-heading. “The control and direction of the numbers of the people, with eugenic and economic ideals, is the background of the science of social adjustment.” Control by whom, and to what ends?

Presumably by Sir Josiah and the eugenists and towards ideals determined by them and their like.

This is made even clearer in the following almost incredible sentence (p. 103): "Meanwhile, let us make an ever-improving environment, not by means of cushions and buffers, but by eliminating, sifting and sorting; by punishing, exacting standards, rewards, and incentives . . . "

In plainer words, "Let us be God."
Here we have the expert, inflated now to his fullest stretch by the conceit of his own knowledge, promoting himself to the seat of judgement of good and evil. I see a jolly picture of Sir Josiah Stamp, surrounded by a choir of attendant scientists, "eliminating sifting and sorting"... punishing, exacting standards, rewards and incentives," and regulating in an "orderly" manner the lives of common men.

The Third chapter, “The Calculus of Plenty,” has been most effectively dealt with by the Editor in a series of six articles (Social Credit, November 29, 1935, to January 17, 1936), entitled “Stamp on Plenty,” but it presents so portly and tempting a target that I cannot resist having my little kick, too!

Briefly Sir Josiah here appears as the Great Magician. The stage (so to speak) at the outset appears faded and piled high with every sort of “nebulous” and “over-suggestive” plenty, from which “social credit” and “a host of allied contentious questions all get their impetus.”

This, however, includes all sorts of things which are “not effectively plenty,” such as “a glut of plums in Worcestershire, not worth the cost of picking,” “an extra million pairs of boots” with no “inducements to wear out,” ships “which cannot exist at a lower freight than in the past,” and so on.

Of course “technical capacity based on engineering ideas has to be brought down to the more economic capacity by a number of stages.”

Sir Josiah then takes the samples one by one, calling each by a long and frightening economic name, as follows:
1. Operating margin
2. uncoordinated surplus capacity
3. seasonal capacity
4. practical demand potentiality
5. capacity technically displaced on rising demand
6. invention displacement (lumme – that’s a good one!)
7. economically misplaced
8. cyclical surpluses
9. wasteful exploitation (well, I never!)

All these do not count, not being plenty “in any practical sense,” and so are put into the hat, and shaken, and – hey presto! Nothing there!! What’s more, half the gaping audience are prepared to believe there never was anything either!

Finally Chapter IV- “Some Projects of Research” in “directions in which I think intellectual effort is wanted in the first instance.”

It is interesting to see the sort of things which a Director of the Bank of England wants investigated, and for which “additional financial aid” is necessary.

Here are just a few of them:

- The effect of population changes on “finance, and governmental institutions” (but not vice versa, note!);
- a change in the patent law and in obsolescent accountancy to see that “substitution would not take place wantonly, or on too easy terms”;
- “desirable research into the psychological reaction to unemployment relief in relation to the incentive for seeking work”;
- “the application of direct-subsidy methods ( gracious, not national dividends! Oh no, read on!) “as inducements to change location or occupation.”

Mention is also made of “a clearing house of scientists and financiers,” referred to earlier in the book as of scientists, industrialists and financiers. This sounds ominously like a clearing house of oysters, walruses and carpenters, into which it is to be feared that many scientists would cheerfully toddle with an almost molluscan innocence.

The whole book, in fact, may fairly be described as an attempt to persuade scientists to use their technique to control humanity according to the ideas of “the experts,” among whom, as we know, the financial expert is dominant.

Despite this there is clear evidence that the author is well aware of the major fallacy on which his whole argument is based.

On page 17 occurs a sentence which cuts the ground completely from under the claim of the expert to control and regulate humanity according to “eugenic,” "economic," or any other "specialist" ideals:

"It seems still a matter for investigation whether the development of a specialist’s thinking on balance impairs or improves the powers of general thinking..."

I do not understand how, after writing this sentence, the author could continue with the rest of the book. - - C. G. Dobbs

The book review was written in 1937 – 78 years ago. Sir Josiah Stamp then director of the Bank of England well understood the implications of the Industrial Revolution. His concern was how to change men’s thinking about an Age of Plenty and Leisure for All and have them thinking that what they saw was just a mirage and like the rabbit in the hat, it would disappear when the right magic words were spoken!

This would need to be accomplished by guiding and directing (educating) the various ‘specialists’ in their fields.

The expert was to be persuaded to use their technique to control and regulate humanity amongst whom the financial expert was/is the dominant one!
“Cheap automation raises risk of ‘Premature Deindustrialisation’? Huh? Does this fellow mean ‘Because automation lowers the costs to Industry there is the danger of a glut of products on the market – thus forcing some manufacturers into bankruptcy’?

The headlines read: “Cheap automation raises risk of ‘premature deindustrialisation’” and the story comes from “The Connected Business” by Carl Benedikt Frey. Readers will note that it is taken for granted that all must work. The question is never asked: “Have we produced enough for all? Can we now organise ourselves and take a rest from human work thus having some leisure time?

“Historically, technology has shaped the economic trajectories of corporations, cities and even nations. While the Industrial Revolution made the west rich and created the “great divergence” in incomes between the west and the rest, the adoption of western technology has more recently spread the fortunes of industrialisation to such places as South Korea, Turkey, and China. Yet this process of rapid economic convergence risks coming to a halt, as labour-saving technologies put developing and emerging economies at risk of “premature deindustrialisation”.

Over the past 20 years, China has become the “factory of the world” while western economies have seen a decline in manufacturing employment. The growth of such cities as Shenzhen, where the iPhone is assembled, is the inverse of the decline of old US manufacturing centres such as Buffalo, Cleveland and Detroit — now part of the “rust belt”, since they have failed to produce new industries. Nevertheless, China may be one of the last nations to ride the wave of industrialisation to prosperity.

As shown by Dani Rodrik of Harvard University, over the course of the 20th century, peak manufacturing employment has steadily declined in emerging economies. In Britain, the first country to industrialise, manufacturing employment peaked at 45 per cent before the first world war. By contrast, Mr Rodrik suggests manufacturing employment in Brazil, India and China has already peaked below 15 per cent.

This is in part because manufacturing processes are more automated. China in particular is not only the fastest-growing market for industrial robotics, it has replaced the US as the biggest market for automation. In China’s 12th Five Year Plan, workforce automation is a strategic area the country’s leaders hope will sustain its competitive manufacturing edge.

While China’s push has been driven by rising wages and concerns over a “peak-out” of its working-age population, similar trends elsewhere are cause for more concern. Since the 1980s, low-income countries in sub-Saharan Africa have seen declines in their manufacturing share, as have middle-income countries in Latin America, making it less likely manufacturing will provide a route for workers seeking to escape poverty.

Automation alone cannot explain this trend; many emerging economies have seen falls in manufacturing output. An alternative, albeit complementary, explanation for the failure of low and middle-income economies to achieve industrialisation comparable to that of the west is also globalisation itself.

While the transport revolution in general, and the container ship in particular, paved the way for emerging economies to export cheaper, increasingly sophisticated goods, countries with a comparative disadvantage in manufacturing started to import deindustrialisation, as they became more exposed to production costs abroad.

These declining costs are largely driven by technology. For example, although the employment share of manufacturing in the US has fallen sharply, the output share has remained roughly constant over the past 50 years.

Thus, the US remains a competitive manufacturing location, but without producing many new production jobs. Even in low-cost locations, this will gradually become the case. Estimates by Citi Research show the payback period for industrial robots in China is now less than two years.

While many key technologies of the 20th century — the telephone, the container ship and the computer — helped companies co-ordinate cross-border production, shifting production to cheaper locations, developments in robotics and additive manufacturing have incentivised western companies to bring production back to automated factories.

In emerging middle-income countries, as well as low-cost destinations, labour will struggle to compete with ever cheaper technologies. In the absence of industrialisation as a path towards economic development, countries will need to discover new growth models.

Although service-led growth is one option, many low-skill services are today equally automatable. So the best hope for developing and emerging economies is to churn out more highly skilled workers. This is the lesson from the western experience. Even though Ford and General Motors have some of the world’s most modern factories, Detroit has failed to modernise and produce employment in new industries.

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New Times Survey

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By contrast, some older manufacturing cities — New York, Boston and San Francisco — have made the transition to become innovators in services, offering financial and legal services, advertising, data processing and computer systems design.

While emerging economies such as China have been able to industrialise by leapfrogging technologies, the challenge for the next generation of emerging economies is that they will have to leapfrog industrialisation itself.

Models of economic development will need to feature more investment in education, faster implementation of new technologies and — most importantly — higher rates of local innovation. Managing this process is, however, easier said than done.

The writer is co-director of the Oxford Martin programme on technology and employment and Oxford Source: [http://www.ft.com/intl/cms/s/2/de07e776-2172-11e5-ab0f-6bb9974f25d0.html](http://www.ft.com/intl/cms/s/2/de07e776-2172-11e5-ab0f-6bb9974f25d0.html)

NOTES ON THE PHILOSOPHY OF SOCIAL CREDIT
from The New Times, 13 July, 1956

Social Credit is as old as man. Social Credit is the belief that in association we can get the results we want, and this naturally implies the best and happiest results. This definition implies then, efficiency, human satisfactions and society. Social Credit is "the efficiency measured in terms of human satisfaction of human beings in association or in society." Study these words and the student will discover that so far from being a belief or a religion or a theory Social Credit if it is what the definition indicates, must be a fact. You may decide now whether human beings have or have not any such power to produce a result they intend to produce when helping each other.

Do not be led astray “by every word or vain doctrine”:
If they have no such power Social Credit does not exist: if they have, it does. If we decide that human beings inevitably help each other to produce a result which they do not want and do not intend and do not find satisfactory, then we had better give up - we have nothing to study.

We study these words and we are agreed that human beings tend inevitably to help each other to produce results, which they desire. Social Credit then is a fact, not a theory.

The original meaning of the word credit is simply belief, and social means association or society. And let us be careful to use words in their proper meaning for we shall then not be so easily led astray "by every word or vain doctrine."…

It is unlikely that until these material needs have been satisfied and he finds himself "prospered with all happiness" that he will be able to turn his mind to his unlimited spiritual needs and hopes, for man does not live by bread alone…

We may ask why this progress is to such an extent frustrated. The real conflict with which we are faced today is a conflict of philosophies. Underneath all the diplomacy, the deputations, the conferences, the misunderstandings, the recriminations, is a conflict of Philosophies.

Now, all action, every policy, is born from a philosophy. Every action has the thought behind it from which it originates. "Out of the heart the mouth speaketh."…

We have had an exhibition of the thought which engenders such policies as Hitler's Nazi-ism or National Socialism, and those similar to it, namely Bolshevism, Communism, and those like it with all their regimentation and revenge. While they claimed to be for man's good, they are in reality damaging to his inherent right to rule himself, which Major Douglas calls man's immanent sovereignty. They are revengeful policies.

We fought two desperate wars hard won to destroy the threat to our National and Individual Sovereignty exemplified and implied in these philosophies and the Policies which are their natural result. Major Douglas foresaw this, when his first and great work was published in which he solved the problem the orthodox economists had failed to do. This great work made history, and was called "Economic Democracy."…

Through the ages man's genius and needs have urged him to effort towards his development. Man needed tools and the help of his fellows, and it is by such associations that he found his best means of progress.

Man has an instinctive desire for fulfilment and a deep-seated knowledge that he is placed here for his development. He has created the social credit. It ought not to be so difficult for him to satisfy different forms in every aspect of life. It is the life-long struggle between freedom and authority.
A philosophy then, is shown in actions, in policy, and Douglas warns us that we should judge all things by the results of them, and men by their actions, for only in this realistic way may we gain an insight into the thought or philosophy behind them. He reminded us that the Great Critic of world affairs said: "By their (fruit) works ye shall know them."

We have seen the results of a Nazi, a Fascist philosophy, the results of Bolshevik, Communistic, thought. And here it is necessary to stress, as did Douglas throughout his Mission, the importance of basing our policies — as our Politics — on a Christian basis; a Christian philosophy, and allow and welcome our actions as well as the results — particularly as Social Crediters — to be judged by that standard.

In the Christian philosophy then, the individual is of deepest importance: "Ye are of more value than many sparrows"; there must be no distinctions...

"The rain falls on the just and on the unjust", on King as on peasant, on rich as on poor, on sinner as on saint; and as all have contributed to the social credit all must share in it.

Let us consider some of the principles of a Christian philosophy which are common to Social Credit, and the following passages and Gospel sayings have been taken at random from Social Credit literature. Douglas used the Gospels, to illustrate his writings, speeches, and books.

"I came that ye might have life and that more abundantly."

In this there is nothing said about work or that he came to ensure that paradise of so many today at the instigations of Governments, the "policy of making employment universal, nor of producing wealth with a minimum of work." (You noticed perhaps that this represented the tenets of the Laval-Nazi policy prior to the Second World War).

Work is of course a means to an end and not an end in itself. We, as Social Crediters, are careful not to exalt means to the place of ends and so be led astray in our thinking, for as Douglas reminds us "Daemon est Deus in versus" or, the Devil is God upside down.

"The Kingdom of Heaven is within you."

His Kingdom is not to be found in this or that plan or in this or that Institution invented by the well-meaning for what is considered by them to be for another's good, "It is within you."

Though this gives to each of us a responsibility, it frees us from well-meaning (no doubt) thralldom, it lets us go free.

We pray, "O God, in knowledge of Whom standeth our eternal life, Whose service is perfect freedom", but according to some, the "new freedom" will not be freedom from dependence, (on others), or from interference, (from others), no, it is to mean "freedom of opportunity", to work." — “As far as I am aware, the slave was always free to work,” comments Douglas.

"The sabbath was made for man and not man for the sabbath."

Surely this is a plain injunction that institutions should serve man, that man should be master of the machine, of his institutions, for he is greater than they. There is only one commandment — Love.

And I will quote from "The Social Crediter" of January 18, 1941: "The difficulty is to present our philosophy as a whole." It is so easy to magnify one aspect of it out of relation to the rest. When for instance we observed the tendency of the ‘Parents’ Association’ to put things right, ‘and their assertion that loving your neighbour means ‘working for him’ according to your own ideas of what is good for him, we should remember that these amiable intentions are closely linked with a belief in the ‘innate tendencies to barbarism' in the human race. This idea is incompatible with Social Credit.

"Love thy neighbour."

There is no suggestion in this commandment of Planning for my neighbour, rising to power over my neighbour, applying sanctions to my erring neighbour; all of which are excused by the well-intentioned as being for our good. When Major Douglas spoke at Burton on "Democracy" (the word so often misapplied) he there proclaimed his belief in the innate goodness of man, and he would refuse to accept as truth "the innate tendencies to barbarism" which a certain set of people today would have us believe are common to man, and on which they would have us base our philosophy and so, our policy today.

"He that is greatest among you let him be your servant":

"Perhaps the greatest difficulty we have is to show that our philosophy is not just a stunt. We cannot make it too clear that loving your neighbour does not mean working for him in the sense understood by the Parents’ Association. It may mean taking orders from him. And it certainly does mean leaving him alone with his personality, leaving him free. For those who aspire to be great there is a course open — to humble ourselves to be servants — and this means taking orders and carrying them out to the best of our ability. " It means accepting and implementing the policy of the people, not preparing an agenda and placing it before them."

"The sabbath was made for man", yes, and those words imply not only man's importance above his institutions, but that his institutions are only justified in so far as they serve him. (continued on next page)
This Social Credit philosophy then, is based on the importance of the individual, and this embraces what Douglas calls "man's immanent sovereignty" his indwelling right to rule his self which must be preserved if he is to reach that end which although unknown, he feels to be his crown!

The preservation of the dignity of the individual is of vital importance, for his "author and maker is God."

Now while there is a place in the social economy for all, it is not suggested that "the man in the street" shall decide how the hole in the street is to be mended, but he wants it mended, and the expert who is engaged must produce the result desired, or go. To decide policy is not the function of the management; the expert.
The aristocracy or hierarchy of management should give the desired result — that is, to carry out the policy of the democracy — of the people.
This is how a democracy should function, and in it we have a simple example of the aristocracy of management, the Master, serving.

"I came that ye might have life and that more abundantly."
Can we if we are Christians avoid criticisms of anything, which hinders a free, dignified and fuller life for all? For such is possible. The Social Credit philosophy claims it for all — the Kings, the people, the peasant, the publicans and the sinners.

The Douglas Financial Proposals for instance, are an example of the policy of the philosophy underlying them, because, they are not confiscatory proposals, they do not rob Peter to pay Paul, they are not Debt and Taxation proposals, but are in keeping with Social Credit preaching, and the results will be in keeping with Social Credit philosophy.

The proposals claim for us our inheritance of the social credit, the reward of long ages of toil: simply it claims for us our credit. Banal as it sounds, there is no Liberty without Economic Freedom, and Douglas has defined Liberty as "freedom to choose or refuse ONE thing at a time."

The National Dividend which is claimed for all would end for most their material disabilities and limitations. While such remain there is no freedom in the Social Credit sense.

We can only touch here on the evils brought about by a non-Christian philosophy, but it is now well-known if not acknowledged — that a faulty-no-good, won't-work-system of Economics which of course includes Finance, is one of the causes of War if not the chief. It is a cause of war in every village, of trouble in every workshop.

The trend today is for centralisation — its brand is everywhere — and this is incompatible with Social Credit philosophy, which favours the individual and encourages his initiative. For the much better results, which come from such a free mind, we have evidence today and on the battle-fields of the First Great War. Which of us has not seen many examples of this divine quality of personal initiative, divine spirit, of man's creative impulses unrealized, discouraged, trodden down, frustrated till it was quenched, and the men in whom it once dwelt saddened, dispirited, often ruined in calculated and quite unmerited rain.

We call for a policy built on the living foundations of the bountiful and beneficial laws of Nature, in Economics and Finance, the way the Universe works, the way the Engineers, the bridge-builder, the Architect has to.

Sacrifice our National and individual sovereignty? To Whom?
We are led to believe that rather than correct the faulty functioning of civilized life to reflect Reality — and the teachings of Jesus has shown us the way — the only alternative to repeated war or the astonishing and unnecessary paradox of poverty amid plenty, is to be found in schemes such as Federal Union, The Police State, United Nations Organisations, each of which is instituted "to put things right", the fundamentals of which is the intensification of centralised government, and "the sacrifice of our National and individual sovereignty", and, to a "central Authority", (but who this is or to whom answerable is not stated; "Quis custodiet ipsos custodes.").

These are grave threats. They are totally incompatible with Social Credit. I will close with a quotation from Frank Lloyd Wright the distinguished architect:
"I believe man's nature is still sound, and recognise that science has done well, but I know that science cannot save us. Science has given us miraculous tools but what use are they unless we have mastered the cultural use of them in man's relation to man? We do not want to live in a world where the machine has mastered the man, we want to live in a world where man is master of the machine." And Major Douglas would add "and of the institution which should serve him."

The great Disciple wrote: "Prove all things" and his Master said: "The truth shall make you free."

* Quis custodiet ipsos custodes? is a Latin phrase found in the work of the Roman poet Juvenal from his Satires (Satire VI, lines 347–8). It is literally translated as "Who will guard the guards themselves?", though is also known by variant translations.
https://en.wikipedia.org/wiki/Quis_custodiet_ipsos_custodes
There are two great myths used in recent years to convince the world of imminent catastrophe unless we drastically change our living style in the direction of austerity. Both myths are based on scientific fraud and uncritical propagation by sympathetic mainstream and even some alternative media. One is the idea that world climate is warming, or at least “changing,” owing almost solely to us, to our man-made emissions. The second great myth, launched first in 1956 in Houston Texas by an employee of one of the world’s largest oil companies, was dusted off some 15 years ago at the start of the Dick Cheney-George W. Bush Administration. It’s called the theory of Peak Oil.

The good news is our coastal cities are not about to be washed away by melting icebergs or rising oceans, nor is our supply of conventional oil and gas — hydrocarbons — likely to run out for centuries or more. It has nothing to do with the highly damaging and very costly extraction of tight oil from shale rocks, but with the abundance of conventional oil around the world, the vast part of which has yet to be discovered or even mapped.

The most dramatic discoveries of new oil and gas reserves in recent years have come from the Mediterranean in areas off Cyprus, Israel, Lebanon and believed to be offshore Greece as well. In 2010 Israel and the Houston, Texas company, Noble Energy, discovered the largest offshore gas field, Leviathan. It was the world’s largest gas discovery in a decade, with enough gas to serve Israel for at least a century. The geophysics of the offshore areas around Greece suggest that that hapless country could also have more than enough undiscovered oil and gas to repay all foreign debt and more. Not surprisingly the Washington-led IMF demands that Greece privatize her state oil and gas companies, a near certainty that major Western oil firms would sit on their development as was done in past decades until leases expired in 2004 and reverted back to the Greek Government.

In 2006 Brazil’s Petrobras made the largest offshore oil discovery of the last 30 years, holding at least 8 billion barrels of oil in the Santos Basin 250 kilometres from Rio de Janiero. Then-President Lula da Silva proclaimed it would give the “second independence” for Brazil, that from Western oil imports. In 2008 nearby Petrobouco, a state company, discovered an equally large natural gas field called Jupiter near their Santos oil discovery. Under Lula’s presidency, the Parliament passed measures to insure oil development would remain in Brazilian hands under Petrobras and not in those of the American and British or other foreign oil majors. In May 2013 after Lula retired and was succeeded by Dilma Rousseff as President, US Vice President Joe Biden flew to Brazil to meet with her and the heads of Petrobras. According to Brazilian sources, Biden demanded Rousseff remove the laws that kept American oil majors from controlling the huge oil and gas finds. She politely declined and soon after she was hit with a major US Color Revolution destabilization that continues to this day, not surprising, with a scandal around Petrobras at the centre.

More recently, Iceland, recovering from her banking crisis, began seriously looking offshore for oil and gas in the Jan Mayen Ridge north of the Arctic Circle in 2012. The geophysics are the same as offshore North Sea and one Icelandic former senior government official told me during a visit some five years ago that a private geological survey indicated Iceland could be a new Norway. According to the US Geological Survey, the Arctic could hold 90 billion barrels of oil, most of which is untapped. China made Iceland a key partner, and the two signed a free-trade agreement in 2013 after China’s CNOOC signed an offshore joint venture in 2012 to explore the offshore.

In April 2015 the energy exploration firm UK Oil & Gas Investments announced it had drilled near Gatwick Airport and found what they estimated could be up to 100 billion barrels of new oil. By comparison the entire North Sea has yielded some 45 billion barrels in 40 years. As well in May, UK oil company Rockhopper announced a new oil discovery in the disputed waters of the Falkland Islands offshore of Argentina believed to contain up to one billion barrels of oil.

Now in August, 2015 the Italian oil company ENI announced discovery of a supergiant gas field in the Egyptian offshore, the largest ever found in the Mediterranean Sea, larger than Israel’s Leviathan. The company announced the field could hold a potential of 30 trillion cubic feet of lean gas in place covering an area of about 100 square kilometres. Zohr is the largest gas discovery ever made in Egypt and in the Mediterranean Sea.

There are huge undeveloped oil and gas reserves in the Caribbean, the area of an impact crater that made numerous fissures and where three active tectonic plates come together and part. Haiti is one such region, as is Cuba.

In May the Cuban government released a study that estimated Cuba’s offshore territorial waters held some 20 billion barrels of oil. Russia’s oil subsidiary, Gazprom Neft, has already invested in one section in Cuban waters, and during Russian President Putin’s July, 2014 visit to Havana in which Russia cancelled 90% of Cuban Soviet-era debt worth some $32 billion, Igor Sechin, the CEO of Russia’s state-owned Rosneft, the world’s largest oil company, signed an agreement with Cupet, the Cuban state oil company, to jointly explore the basin off Cuba’s northeast coast.

(continued on next page)
That Russian participation in the huge Cuban oil search might explain the sudden rush of the Obama Administration to “warm up” relations with Cuba.

How oil is ‘born’

The accepted oil industry explanation holds that oil is a finite resource, a so-called fossil fuel, biological in origin, that was created hundreds of millions of years ago by the death of dinosaurs whose detritus by some yet-unidentified physical process transformed into hydrocarbons. The claim is that concentrated biological detritus somehow sank deep into the earth — the world’s deepest oil drilling in Russia’s Sakhalin region, drilled by Exxon, is more than 12 kilometres deep. There it supposedly flowed into underground pockets they call reservoirs. Others say also algae and tree leaves and other biological decayed matter added to the process.

In the 1950s a group of Soviet scientists was tasked with making the USSR self-sufficient in oil and gas as the Cold War heated up. The first step in their research was to critically investigate all known scientific literature on origins of hydrocarbons. As they looked closely at the so-called fossil fuel theory of oil, they were amazed how unscientific it was. One physicist estimated that for the huge oil that has come out of one giant well, Ghawar, in Saudi Arabia, it would require a block of dead dinosaurs, assuming 100% conversion of meat and bone to oil, that was created hundreds of millions of years ago by the fact that the oil and gas are there in super-abundance that we need not freeze in the dark or turn to windmills until the time mankind develops completely different forms of energy that are clean and earth-friendly. Wars to control oil or gas would become silly nonsense.

They made exhaustive tests in the deep-earth research labs in Moscow of the Soviet military. They developed the brilliant hypothesis that oil was constantly being created deep in the bowels of the Earth below the mantle. It pushes upward towards the surface passing through beds of various elements such as ferrite. They did repeated laboratory experiments producing hydrocarbons under temperature and pressure imitating that in the mantle.

These migration channels, as the Soviet scientists termed them, were fissures in the mantle caused over millions of years under the expanding of the earth and forced by the enormous temperatures and pressures inside the mantle. The path the initial methane gas takes upwards towards the surface determines whether it emerges and collects as oil or as gas, as coal, as bitumen as in Canada’s Athabasca Tar Sands, or even as diamonds which are also hydrocarbons.

The Russian and Ukrainian scientists also discovered, not surprisingly, that every giant oilfield was “self-replenishing,” that is new oil or gas is being constantly pushed up from inside the mantle via the faults or migration channels to replace oil withdrawn. Old oil-wells across Russia that were pumped far beyond their natural full rate during the end of the Soviet era when maximum production was considered highest priority, were then shut, considered exhausted.

Twenty years later, according to Russian geophysicists I have spoken with, those “depleted” wells are being reopened and, lo and behold, completely refilled with new oil. The Russians have tested their hypothesis to the present day, though with little support until now from their own government, whose oil companies perhaps feared that a glut of new oil would collapse oil prices.

In the west, the last thing Exxon or other Anglo-American oil majors wanted was to lose their (once) iron grip on the world oil market. They had no interest in a theory that would contradict their Peak Oil theory.

Today a geopolitical decision by Saudi Arabia to wipe out the market-disturbing recent emergence of the United States as world’s largest oil producer owing to the major increase in shale oil production, has temporarily collapsed world oil prices from over $100 a barrel in July 2014 to around $43 today in the US market.

That is leading to a dramatic cut-back in oil exploration around the world. In a fair world, oil or gas should be available at affordable prices to every nation to serve its own energy requirements and not the monopoly of a tiny cartel of British or American companies. Good to know is the fact that the oil and gas are there in super-abundance that we need not freeze in the dark or turn to windmills until the time mankind develops completely different forms of energy that are clean and earth-friendly. Wars to control oil or gas would become silly nonsense.

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